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South Manganese Investment Limited

南方錳業投資有限公司

(incorporated in Bermuda with limited liability)

(Stock Code: 1091)

(1) QUARTERLY UPDATE ON STATUS OF RESUMPTION;

AND

(2) CONTINUED SUSPENSION OF TRADING

This announcement is made by South Manganese Investment Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rules 13.09 and 13.24A of the Rules (the “**Listing Rules**”) Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Reference is made to the announcements of the Company dated 29 March 2023, 31 March 2023, 2 May 2023, 28 May 2023, 29 June 2023, 28 July 2023, 2 August 2023, 18 August 2023, 20 September 2023, 26 September 2023, 29 September 2023 and 30 November 2023 (the “**Announcements**”) in relation to, among other things, (i) the delay in publication of the annual results (the “**2022 Annual Results**”) and the annual report (the “**2022 Annual Report**”) of the Company for the year ended 31 December 2022; (ii) the formation of an independent investigation committee; (iii) appointment of RSM Corporate Advisory (Hong Kong) Limited (currently known as “Acclime Corporate Advisory (Hong Kong) Limited”) as the independent forensic accountant (the “**Independent Forensic Accountant**”); (iv) the guidance (the “**Resumption Guidance**”) for the resumption of trading issued to the Company by the Stock Exchange; (v) the quarterly update on the status of resumption; (vi) the appointment of SWRS Risk Services Limited as the independent internal control consultant (the “**Independent Internal Control Consultant**”); (vii) the resignation of PricewaterhouseCoopers as the auditor of the Company with effect from 31 July 2023; (viii) the appointment of RSM Hong Kong (“**RSM HK**”) as the new auditor of the Company with effect from 18 August 2023; (ix) the delay in publication of the interim results (the “**2023 Interim Results**”) and the interim report (the “**2023 Interim Report**”) of the Company for the six months ended 30 June 2023; (x) the key findings of the independent investigation (the “**Independent Investigation**”); (xi) the key findings of the internal control review report (the “**Internal Control Review Report**”);

(xii) the announcement of the 2022 Annual Results; and (xiii) the announcement of the 2023 Interim Results. Reference is also made to the 2022 Annual Report and the 2023 Interim Report published by the Company on 11 December 2023. Unless otherwise defined, capitalised terms used herein shall have the same meanings as those defined in the Announcements.

RESUMPTION GUIDANCE

As disclosed in the announcement of the Company dated 28 May 2023, the Company received from the Stock Exchange the following Resumption Guidance:

- (a) publish all outstanding financial results required under the Listing Rules and address any audit modifications;
- (b) conduct an appropriate independent investigation into the audit issues, assess their impact on the Company's business operation and financial position, announce the findings and take appropriate remedial actions;
- (c) conduct an independent internal control review and demonstrate that the Company has in place adequate internal controls and procedures to meet the obligations under the Listing Rules;
- (d) demonstrate the Company's compliance with Rule 13.24 of the Listing Rules; and
- (e) inform the market of all material information for the Company's shareholders (the "**Shareholders**") and other investors to appraise the Company's position.

Under Rule 6.01A(1) of the Listing Rules, the Stock Exchange may cancel the listing of any securities that have been suspended from trading for a continuous period of 18 months. In the case of the Company, the 18-month period expires on 29 September 2024. If the Company fails to remedy the issues causing its trading suspension, fulfill the Resumption Guidance and fully comply with the Listing Rules to the Stock Exchange's satisfaction and resume trading in its shares by 29 September 2024, the Listing Division will recommend the Listing Committee to proceed with the cancellation of the Company's listing. Under Rules 6.01 and 6.10 of the Listing Rules, the Stock Exchange also has the right to impose a shorter specific remedial period, where appropriate.

THE STATUS IN FULFILLING THE RESUMPTION GUIDANCE

The Company would like to provide the following information to the Shareholders and potential investors in relation to the Company's resumption plan and the status of fulfillment of the Resumption Guidance set by the Stock Exchange.

Resumption Guidance	Status
(a) publish all outstanding financial results required under the Listing Rules and address any audit modifications	<p>As at the date of this announcement, the Company has published all the outstanding financial results on the following dates:</p> <p>(a) the 2022 Annual Results on 30 November 2023; (b) the 2022 Annual Report on 11 December 2023; (c) the 2023 Interim Results on 30 November 2023; and (d) the 2023 Interim Report on 11 December 2023.</p> <p>RSM HK, the auditor of the Company, has issued unqualified opinion in its auditor's report on the Group's consolidated financial statements for the financial year ended 31 December 2022. Please refer to the 2022 Annual Report published on 11 December 2023 for further details.</p>
(b) conduct an appropriate independent investigation into the audit issues, assess their impact on the Company's business operation and financial position, announce the findings and take appropriate remedial actions	<p>As disclosed in the announcement of the Company dated 20 September 2023, the Independent Forensic Accountant has completed the Independent Investigation and issued the independent investigation report on the findings of the Independent Investigation.</p> <p>For details, please refer to the announcement of the Company dated 20 September 2023.</p>
(c) conduct an independent internal control review and demonstrate that the Company has in place adequate internal controls and procedures to meet the obligations under the Listing Rules	<p>As disclosed in the announcement of the Company dated 26 September 2023, the Independent Internal Control Consultant has completed the Internal Control Review and the follow-up review and issued the Internal Control Review Report.</p> <p>For details, please refer to the announcement of the Company dated 26 September 2023.</p>
(d) demonstrate the Company's compliance with Rule 13.24 of the Listing Rules	<p>Since the suspension of trading in the Company's shares on 30 March 2023, the Group has continued its normal business operations and there has been no major change in the business operations of the Group.</p>

<p>(e) inform the market of all material information for the Shareholders and other investors to appraise the Company's position</p>	<p>Since the suspension of trading in its shares on 30 March 2023, the Company has been keeping its Shareholders and potential investors informed of all material information to appraise the Company's position by way of publication of announcements on the website of the Stock Exchange and of the Company in accordance with the Listing Rules.</p> <p>The Company will continue to keep its Shareholders and potential investors informed of any material developments by making further announcement(s) as and when appropriate and in accordance with the Listing Rules.</p>
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CONTINUED SUSPENSION OF TRADING

At the request of the Company, trading in the shares of the Company on the Stock Exchange has been suspended with effect from 9:00 a.m. on 30 March 2023. Trading in the shares of the Company will remain suspended until further notice.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.

By order of the Board
SOUTH MANGANESE INVESTMENT LIMITED
Li Weijian
Chairman and Chief Executive Officer

Hong Kong, 29 December 2023

As at the date of this announcement, the executive Directors are Mr. Li Weijian, Mr. Zhang He, Mr. Xu Xiang and Mr. Li Junji; the non-executive Directors are Ms. Cui Ling and Mr. Pan Shenghai; and the independent non-executive Directors are Mr. Zhang Yupeng, Mr. Yuan Mingliang and Mr. Lo Sze Hung.